

TITLE I REALLOCATION POLICY
Indiana Department of Education
Division of Compensatory Education

Section 1126(c) under P.L. 107-110 authorizes the SEA (State Educational Agency) to reallocate excess and/or recovered Title I funds to LEAs (Local Educational Agencies) that need additional funds. Reallocated funds are available from the following sources:

- (1) an LEA that is eligible for a Title I allocation but has chosen not to participate in the Title I program;
- (2) an LEA that has had its allocation reduced because it failed to meet the maintenance of effort requirement in section 9521 of No Child Left Behind Act of 2001;
- (3) an LEA that has carryover funds that exceed the 15 percent limitation in section 1127 of Title I or has excess funds for other reasons; or
- (4) the SEA has recovered Title I funds after the State Board of Accounts and/or the SEA has conducted a compliance review/on-site monitoring review and determined that an LEA has failed to expend Title I funds in accordance with Public Law 107-110 and other applicable state and federal laws and regulations.

The SEA establishes the criteria for determining which districts have the most need for the reallocated funds. In Indiana, districts eligible for basic grant funds are rank-ordered according to the percent of students enrolled and eligible for free lunches. Starting with the district in greatest need (highest percent of free lunches), reallocated funds are offered to districts in descending order until funds are exhausted.

The following criteria have been established for distributing reallocated funds:

- (1) districts may receive up to 3 percent of the current year's Title I, Part A allocation, or a minimum of \$5,000.00; and
- (2) districts identified as eligible for reallocated funds must have
 - (a) submitted a prior year final expenditure report documenting Title I expenditures;
 - (b) expended 85 percent of Title I funds from the prior program year (excluding any district granted a waiver to retain or carryover excess funds);
 - (c) an approved Title I Application for Grant that was submitted by August 1st for the current program year;
 - (d) submitted a prior year Title I Annual Report (DOE-TI) for all Title I schools, including private schools, documenting Title I participation information;
 - (e) demonstrated comparability during the current or prior year by the SEA required timeline; and/or;
 - (f) not been involved in an evaluation review that warranted a compliance Audit (effective July 1, 2003).

Districts must use reallocated funds for ongoing, focused professional development or extended learning opportunities that are researched-based, such as preschool programs, before and after school programs, summer school experiences, and jump-start programs that extend the school day and/or year. Funds must, however, be expended by September 30th of the current program year. To receive these funds, districts notified as eligible for reallocated monies must submit to the Division of Compensatory Education:

- (1) an amendment to the current year Title I Application for Grant;
- (2) a cover letter specifying how funds will be used and an assurance that funds will be expended by September 30th, and;
- (3) any application pages affected as a result of receiving these additional funds.